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2012

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Rajala , I , Ruokonen , I & Ruismäki , H 2012 , ' Organizational Culture and Organizational Change at Arts Universities ' , Procedia : Social and Behavioral Sciences , vol. 45 , pp. 540-547 . <https://doi.org/10.1016/j.sbspro.2012.06.591>

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<http://hdl.handle.net/10138/233057>

<https://doi.org/10.1016/j.sbspro.2012.06.591>

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The 5th Intercultural Arts Education Conference: Design Learning

## Organizational culture and organizational change at Arts universities

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### Abstract

There are different ways of viewing organizational culture and organizational change in an arts organization. This paper discusses and compares two major theories of organizational cultures (Schein 2004; Hofstede 1991). The research problems are How to study organizational culture and organizational change at an arts university? How do the theories presented reconcile the characteristics of an artistic organization in an economic environment? It is crucial to find the way to the deeper levels of a culture, and to assess and challenge the functionality of the assumptions on which the daily cultural practices depend.

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**Keywords:** organizational culture; arts organization; economic environment

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### 1. Introduction and study design

In this article, we discuss the characteristics of artistic organizations from an economic point of view. First, the aim of the study is to find out how organizational culture and organizational change occurs and affects the everyday practices in arts universities, and secondly to understand how the theories presented can be reconciled with the characteristics of an artistic organization in an economic environment. This paper discusses and compares the theories of Schein (2004) and Hofstede (1991) presented. The method used is hermeneutic analysis. Hermeneutic analysis enables a deeper understanding of the meanings of human practices and cultures at arts universities. Understanding is produced through a systematic interpretation of theories and processes. These processes constitute a hermeneutic circle (Routio, 2007).

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The interpretation of details affects the interpretation of the entire phenomenon; reviews of these interpretations produce a deeper understanding of the phenomenon.

## 2. Theoretical Background

There are a number of ways to define organizational culture. Organizational culture can be defined as a gathering of the values that dominate in an organization. These values are often strengthened by myths, anecdotes and stories from its history. Organizational culture is complex and not easy to capture or define. This is why different disciplines, such as sociology, business economics and social psychology have difficulties to agree on a common definition of organizational culture. Schein (2004) represents social psychology. He thinks that organizational culture is a model of assumptions that are created and developed by a group that has learned to overcome its internal and external problems. A certain social and cultural model has grown because of a subconscious learning process. Schein points out that the originator or figurehead often has had a major role in the process. If the person has made a large impact within an organization, he/she has almost certainly assumed a role as a creator or a maintainer of the culture (Schein, 2004).

Schein defines the term level to mean the degree to which a cultural phenomenon is visible to the observer (Schein, 2004, 25). To be able to discuss how the different levels of an organization can be analyzed it might be confusing if we do not differentiate the levels manifested in a culture. The levels in a cultural phenomenon vary from a tangible manifestation that can be felt and seen to assumptions that are deep down in a culture, often unconscious and embedded in the very heart of a culture.

It is common among culture researchers to use the term “basic values” to describe the deepest levels in a culture. Schein prefers the term “basic assumptions” and states that they most often are taken for granted and are not negotiable in a group (Schein, 2004). Values, on the other hand, can be discussed and questioned; people can agree or disagree on them. Schein’s model of organizational culture, which originated in 1980’s, identifies three distinct levels in organizational cultures.

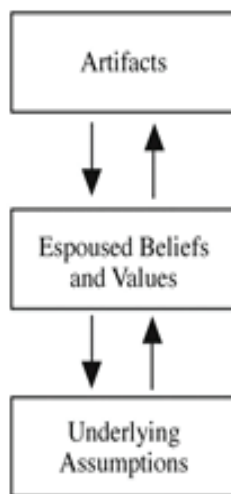


Fig. 1. Levels of Culture according to Schein (2004)

Artifacts, according to Schein, constitute the surface of a culture, the level that can be seen, heard or felt. Every culture expresses itself through artifacts, elements or circumstances that have been created by a human, something that the culture considers important within the culture. This means that even the physical environment for different organizations can have the most mutable expression in various organizations. The elements of a culture might even consist of basic values, ideologies and organizational philosophies. When one becomes acquainted with an unfamiliar, new culture, this level is the one that is immediately observed and it gives the first impression of a culture. It can include the physical environment, the language, technology, products, artistic creations, style, myths, stories, lists of values, observable rituals and ceremonies (Schein, 2004, 26). These physical and psychological dimensions of the deeper level in a culture have been developed over a long period of time. They have become visible and observable to outsiders. Most of the behavior, processes, even the very climate of the entity reflects the way in which the organization works. Although it can be easy to observe this level of culture, it is difficult to describe. An observer can verbalize what is seen and heard, but cannot make the right conclusions about the meaning of these observations for the group or organization.

Gagliardi (1996) defines an artifact as the material and physical environment to which organizational members ascribe meaning. Thus, an artifact can be seen as a symbol of organizational culture and the underlying assumptions and values and norms of the organization. He argues that artifacts can influence an organization as they can have an impact on behavior and perception of reality. In other words, they could make it easier for a member of a group to form his or her assumptions, values and norms.

Schein's theories (2004) show a relation between structure, process and culture. However, the borders between these elements are unclear. Why, then, is it crucial to put an effort into trying to understand a culture, a culture in an organization? The answer is to try to get tools for cultural understanding; without tools it might be impossible to understand the culture or the organization. For an outsider, it can seem very difficult for an organization to manage to fulfill its duties and reach its goals. The answer might lie in the fact that a strong organizational culture and functions comprise a motivating factor even in unpleasant or difficult circumstances.

Usually interpretations reflect feelings and reactions to what has been seen or heard. At this point, it is crucial for an observer to identify how much of his or her own background affects these interpretations. Depending on from what culture a person originates, he or she might make very different judgments compared with some other person observing the same culture. Seeing a very informal, loose, shallow organization, an outsider might consider it to be ineffective. This could be the case if an observer has a background in which informality is considered fooling around, having a good time, and avoiding work. On the other hand, observing a very formal organization, another might, based on his or her own basic assumptions, consider the organization to be lacking innovation and creativity, and suffering from an excess of bureaucracy and formality.

It is essential to tackle the problem of choosing to report different kinds of artifacts in a culture. This could, not the least, depend on the background of the observer. Thus, the way of structuring the artifacts could become a problem. When an observer lives in a culture long enough, the meaning of different artifacts gradually becomes clear. The different classification systems developed by anthropologists could be a solution to classify artifacts. They are not, though, necessarily the solution because they go into detail in a manner, which is not relevant in trying to identify the cultural essence. However, if the observer wants to make progress quicker, a step to the next level of cultural analysis might be taken.

Espoused beliefs and values (Schein, 2004, 28) are first individual and gradually they can become common for a group. A new group does not have any shared knowledge. Usually a person who later can be recognized as a strong personality within a group, expresses certain assumptions which show the way to deal with problems or execute tasks. Later on all this can be recognized as the organization's way of

doing things. At this point, a shared value can become a shared assumption. This process usually requires testing and some proof for its successfulness.

According to Schein (2004, 29), social valuation means that certain values are confirmed only by the social shared values of a group. This does not mean that a group thinks that it is superior, in thought or action, compared with other groups. However, it can mean that group members develop shared beliefs and thinking, which become a way of communication and problem solving within a group. Later on, it can become an obstacle. If a group member does not share the common way of taking for granted the other group members' way of reasoning, he or she can be dismissed from the group. The group member learns that to a certain extent he or she has to share common values in order to be accepted in the group.

One of the critical tasks of common values is to reduce uncertainty in critical areas of the group's functioning. In addition, little by little, the transformation process leads to assumptions of normative behavior. This guides members of a group to think, talk and behave in a certain manner, especially in key situations, and in confronting new members to the group.

Beliefs and values often dictate many elements on the artifact level of an organization or culture. If these beliefs and values are not based on prior learning, they may predict what people will say in various situations. This does not necessarily mean that they actually will do things in a way they say one should operate in a certain situation (Argyris, 1999).

A basic underlying assumption can be defined as a concept that has become so taken for granted that one finds little variation for other solutions within a group. These assumptions tend to be very difficult to change, and possibly, they could be changed by questioning or learning something completely new. In this case, group members would have to re-examine and change something in the stable portions of their cognitive structure. Argyris (1999, 68) calls this 'double-loop learning,' while Bartunek (1984) describes this way of learning as 'frame-breaking.' This kind of learning is destabilizing and often leads to anxiety. Instead, people want to create and live in their own 'mental worlds,' and design their own 'mental maps.' Everyone wants to feel as safe and comfortable as possible. It is possible to do this with others who share the same set of assumptions. In a group that has other assumptions, people normally feel uncomfortable; they do not know how to behave, what to think, or how to interpret the actions of other group members (Schein, 2004, 32). Because human mind needs cognitive stability, questioning basic assumptions often leads to anxiety, unease and defensiveness.

### **3. Culture as mental programming**

Geert Hofstede (1991) describes culture as mental programming. Thus, according to him, every person carries within him- or herself patterns of thinking, feeling, and potential acting, which were learned throughout his or her lifetime. Much of this learning occurs in early childhood. After having been established within a person's mind, these patterns of thinking, feeling and acting must be unlearned before he or she is able to learn something different. Unlearning is more difficult than learning for the first time. Borrowing the analogy from the computer world, Hofstede (1991) talks about mental programs in which a person's mind is not programmed as one of a computer. A person has his or her human ability to react in new ways, be creative or unrespectable. Mental programs vary, as do the social environments from which people come. For Hofstede (1991), culture is a collective phenomenon; culture is learned, not inherited and human nature is what all human beings have in common.

The personality of an individual is unique, and this uniqueness Hofstede (1991) describes in the following diagram:

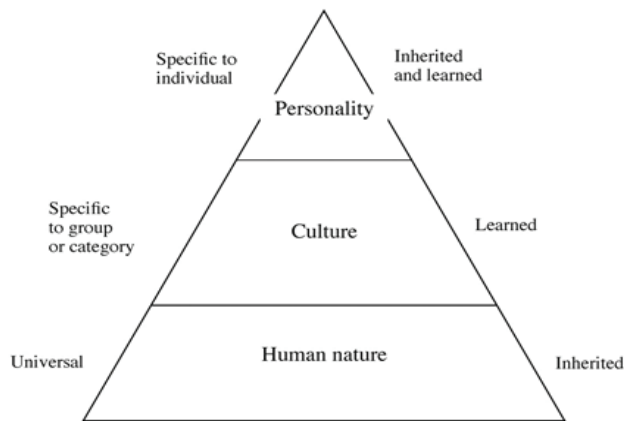


Fig. 2. Three levels—personality, culture, and human nature—in human mental programming (Hofstede, 1991)

Cultural differences, on the other hand, manifest themselves in symbols, heroes, rituals and values. Many authors use the layers of an onion to exemplify the manifestations of culture. Even Hofstede (1991, 9) uses the onion diagram as a metaphor (Fig. 3):

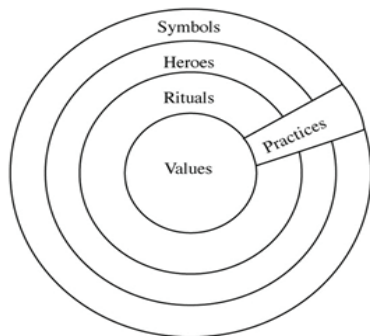


Fig. 3. The “onion” diagram

Symbols are words, gestures, pictures or objects. Hofstede argues that they carry a meaning, particular and only recognized by those sharing a culture. These can cover words (language), jargon, dress, hairstyle, flags, status symbols. Each aspect can change, disappear or new ones can be developed, or copied from others.

Heroes are people. They can be alive or dead, real or imaginary, but they serve as models for behavior and thinking because of their characteristics (Hofstede, 1991).

Rituals are collective activities, such as ways of greeting, paying respect, and engaging in social ceremonies; they are considered socially essential. They are carried out for their own sake. These practices are visible to an outsider. However, their meaning is invisible, and can only be interpreted by

the actors within the organization. The core of the culture is formed by values and tendencies to prefer a certain state of affairs to another. Examples according to Hofstede (1991, 8) comprise:

- evil vs. good
- dirty vs. clean
- ugly vs. beautiful
- unnatural vs. natural
- abnormal vs. normal
- paradoxical vs. logical
- irrational vs. rational

Children learn values by the age of 10, according to development psychologists (etc. Kohlberg, 1986). After that age, changes are difficult to make. Many values remain unconscious because they were learned at an early age. Hofstede (1991, 9) points out the importance of distinguishing the difference between the desirable and the desired, how people think the world ought to be (right/wrong; agree/disagree) vs. what people want for themselves. Norms make the standards for values within a group. The norm is absolute in the case of the desirable, but statistical in the case of desired.

Trompenaars (1993, 23) argues that norms give people a feeling that, “This is how I should normally behave.” Thus, Trompenaars’ definition of norms tends to be similar to Hofstede’s desired values (1991) while Trompenaars’ (1993) values seem to match with Hofstede’s (1991) definition of desirable values.

Hofstede (1991) has shown that societal and national cultures can differ from each other. At the same time, they can be consistent within themselves. Schein’s view can be seen as more limited compared with that of Hofstede (1991), though Schein (2004) focuses on only three aspects. While Hofstede (1991) uses the onion diagram that has values as a core element, Schein’s (2004) reasoning could be described with a same kind of diagram having underlying assumptions in the core of the diagram.

#### **4. An artistic organization in an economic environment**

The administrative and economic aspects of music and artistic institutions have been examined in research only during the last forty years. In 1966, a study called, “Performing Arts–The Economic Dilemma” was published by W. J. Baumol and W. G. Bowen. This study was the first attempt to tackle the problems in this field. The study deals with financing within the arts in the United States and Europe introducing the term cost disease for a relative cost growth of live performances. The writers are also known for their theory of the constantly growing gap between costs and revenues (income gap), which is caused by the fact that the productivity within artistic branches does not grow as fast as revenues in general grow (Byrnes, 1993, 192-195). The problem (income gap) is also relevant also in some other branches.

Some further example in this field is the National Endowment for the Arts (2012) which was established by the United States Congress in 1965 as an independent agency of the federal government. To date, the NEA has awarded more than \$4 billion to support artistic excellence, creativity, and innovation for the benefit of individuals and communities.

The Association for Cultural Economics International (2012) (ACEI, <http://www.culturaleconomics.org/>) is a scientific society, founded in 1973, of approximately 150 members including academic scholars, government officials, foundation officials, managers of arts and cultural organizations and artists, who share an interest in furthering understanding of the economic aspects of the arts and culture in their own countries and throughout the world. It holds international conferences every two years, sponsors small conferences, workshops, and sessions concerned with cultural economics at meetings of other scientific societies. It also sponsors the Journal of Cultural Economics and other publications.



Cultural economics can be defined (e.g. Fernández, 2008) as an application of economic analysis to the creative and performing arts, the heritage and cultural industries, in both the public and private sectors. It is concerned with the economic organization of the cultural sector and with the behavior of producers, consumers and governments in that sector. The subject includes a range of approaches, mainstream and radical, neoclassical, welfare economics, public policy and institutional economics and it espouses interdisciplinary analysis connected to these topics.

Auvinen (2000), in his study of five opera organizations, argues that, a starting point for planning in those organizations is the artistic vision, which is taken to a systemic level. There the economic and organizational limitations will be considered, controlled and evaluated. Thus, according to Auvinen (2000), the task of the organization is to maintain the functions the artistic processes demand.

## 5. Conclusions

It is challenging to conduct research in this field. Questionnaires do not show the truth—in practice, people do not act as they respond on a questionnaire. To conceptualize culture and try not to make strict boundaries between different disciplines would increase shared understanding of ‘culture’ as a concept. The communication between practitioners and academics will help in understanding even across different disciplines.

There are different ways of viewing the organizational culture and organizational change in an arts organization. A position of cultural relativism, as Claude Lévi-Strauss (1976) expresses it, is to be presupposed when studying differences in culture among groups and societies. It is crucial to find the way to understand the deeper levels of a culture, and to assess and challenge the functionality of the assumptions on which the practices lean.

An official or an external organizational structure of culture and an unofficial or internal organizational structure of culture need to be identified. With the official one, the organization working and interacting as one of universities in the university world in the surrounding society is recognized. In an unofficial organization, the aim of the organization is to maintain and develop the processes the artistic performance and activities demand. The primary task is to organize in order to survive and tackle the challenges in the environment. An arts university has to simultaneously meet the organizational and economic requirements set both internally and externally. The design of an artistic organization, thus, needs a consensus of both a great degree of passion and a great deal of clear logic. No need for extreme measures exists, but a continuous discussion on values meeting goals and the external challenges is necessary.

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